

STATE OF CALIFORNIA
DEPARTMENT OF MANAGED HEALTH CARE
HEALTH CARE SERVICE PLAN

1

MONTHLY FINANCIAL REPORTING FORM

Submitted on 10/31/2003 8:50:19 AM

| 1 | |
|-----|---|
| 1. | FOR THE MONTH ENDING: September 30, 2003 |
| 2. | Name: Dental Health Services |
| 3. | File Number:(Enter last three digits) 933-0 059 |
| 4. | Date Incorporated or Organized: June 1, 1982 |
| 5. | Date Licensed as a HCSP: n/a |
| 6. | Date Federally Qualified as a HCSP: n/a |
| 7. | Date Commenced Operation: June 1, 1982 |
| 8. | Mailing Address: 3833 Atlantic Avenue, Long Beach, CA 90807 |
| 9. | Address of Main Administrative Office: 3833 Atlantic Avenue, Long Beach, CA 90807 |
| 10. | Telephone Number: (562) 595-6000 |
| 11. | HCSP's ID Number: |
| 12. | Principal Location of Books and Records: 3833 Atlantic Avenue, Long Beach, CA 90807 |
| 13. | Plan Contact Person and Phone Number: Godfrey Pernell, DDS, (562) 595-6000 |
| 14. | Financial Reporting Contact Person and Phone Number: Mehdi Moussavi, (562) 595-6000 |
| 15. | President:* Godfrey Pernell, DDS |
| 16. | Secretary:* Gary Pernell |
| 17. | Chief Financial Officer:* Mehdi Moussavi |
| 18. | Other Officers:* Robert Tillery - Vice President of Health Services |
| 19. | |
| 20. | |
| 21. | |
| 22. | Directors:* Godfrey Pernell, DDS |
| 23. | Gary Pernell |
| 24. | Wayne Pernell |
| 25. | |
| 26. | |
| 27. | |
| 28. | |
| 29. | |
| 30. | |
| 31. | |

The officers listed on lines 15 through 17 of the health care service plan noted on line 2, being duly sworn, each for himself or herself, deposes and says that they are the officers of the said health care service plan, and that, for the reporting period stated above, all of the herein assets were the absolute property of the said health care service plan, free and clear from any liens or claims thereon, except as herein stated, and that these financial statements, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said health care service plan as of the reporting period stated above, and of its income and deductions therefrom for the period reported, according to the best of their information, knowledge and belief, respectively.




| | |
|---|---|
| 32. President | Godfrey Pernell, DDS (please type for valid signature) |
| 33. Secretary | signature required (please type for valid signature) |
| 34. Chief Financial Officer | Mehdi Moussavi (please type for valid signature) |
| * Show full name (initials not accepted) and indicate by sign (#) those officers and directors who did not occupy the indicated position in the previous statement. | |
| 35. | If this is a revised filing, check here and complete question 4 on Page 2: <input type="checkbox"/> |
| 36. | If all dollar amounts are reported in thousands (000), check here <input type="checkbox"/> |

Check My Work.

STATE OF CALIFORNIA
DEPARTMENT OF MANAGED HEALTH CARE
HEALTH CARE SERVICE PLAN

MONTHLY FINANCIAL REPORTING FORM

SUPPLEMENTAL INFORMATION

| | | |
|----|--|---|
| | | 1 |
| 1. | Are footnote disclosures attached with this filing? | Yes  |
| 2. | Is the attached reporting form filed on a consolidated or combined basis? If "Yes", the plan is required to file consolidating or combining schedules. | Yes  |
| 3. | Is the plan required to file additional information (i.e. parent/affiliate financial statements, claims reports, etc.) that is required by the Department? | No  |
| 4. | If this is a revised reporting form, what is/are the reason(s) for the revision? | |

STATEMENT AS OF 9-30-2003 OF 933-0059 Dental Health Services

REPORT #1 ---- PART A: ASSETS

| 1 | 2 |
|---|----------------|
| CURRENT ASSETS: | Current Period |
| 1. Cash and Cash Equivalents | 1,009,053 |
| 2. Short-Term Investments | 1,020,727 |
| 3. Premiums Receivable - Net | 282,960 |
| 4. Interest Receivable | 4,988 |
| 5. Shared Risk Receivables - Net | |
| 6. Other Health Care Receivables - Net | |
| 7. Prepaid Expenses | 79,180 |
| 8. Secured Affiliate Receivables - Current | |
| 9. Unsecured Affiliate Receivables - Current | 195,500 |
| 10. Aggregate Write-Ins for Current Assets | 93,800 |
| 11. TOTAL CURRENT ASSETS (Items 1 to 10) | 2,686,208 |
| OTHER ASSETS: | |
| 12. Restricted Assets | 450,000 |
| 13. Long-Term Investments | |
| 14. Intangible Assets and Goodwill - Net | |
| 15. Secured Affiliate Receivables - Long-Term | |
| 16. Unsecured Affiliate Receivables - Past Due | 463,394 |
| 17. Aggregate Write-Ins for Other Assets | 8,989 |
| 18. TOTAL OTHER ASSETS (Items 12 to 18) | 922,383 |
| PROPERTY AND EQUIPMENT | |
| 19. Land, Building and Improvements | |
| 20. Furniture and Equipment - Net | 37,257 |
| 21. Computer Equipment - Net | 48,788 |
| 22. Leasehold Improvements -Net | 15,414 |
| 23. Construction in Progress | |
| 24. Software Development Costs | 93,046 |
| 25. Aggregate Write-Ins for Other Equipment | 0 |
| 26. TOTAL PROPERTY AND EQUIPMENT (Items 19 to 25) | 194,505 |
| 27. TOTAL ASSETS | 3,803,096 |
| DETAILS OF WRITE-INS AGGREGATED AT ITEM 10 FOR CURRENT ASSETS | |
| 1001. Deferred Taxes | 93,800 |
| 1002. | |
| 1003. | |
| 1004. | |
| 1098. Summary of remaining write-ins for Item 10 from overflow page | |
| 1099. TOTALS (Items 1001 thru 1004 plus 1098) | 93,800 |
| DETAILS OF WRITE-INS AGGREGATED AT ITEM 17 FOR OTHER ASSETS | |
| 1701. Other Assets | 8,989 |
| 1702. | |
| 1703. | |
| 1704. | |
| 1798. Summary of remaining write-ins for Item 17 from overflow page | |
| 1799. TOTALS (Items 1701 thru 1704 plus 1798) | 8,989 |
| DETAILS OF WRITE-INS AGGREGATED AT ITEM 25 FOR OTHER EQUIPMENT | |
| 2501. | |
| 2502. | |
| 2503. | |
| 2504. | |
| 2598. Summary of remaining write-ins for Item 25 from overflow page | |
| 2599. TOTALS (Items 2501 thru 2504 plus 2598) | 0 |

STATEMENT AS OF 9-30-2003 OF 933-0059 Dental Health Services

REPORT #1 ---- PART B: LIABILITIES AND NET WORTH

| 1 | 2 | 3 | 4 |
|---|----------------|-----------------|-----------|
| CURRENT LIABILITIES: | Current Period | | |
| | Contracting | Non-Contracting | Total |
| 1. Trade Accounts Payable | 609,470 | XXX | 609,470 |
| 2. Capitation Payable | 56,773 | XXX | 56,773 |
| 3. Claims Payable (Reported) | 13,000 | | 13,000 |
| 4. Incurred But Not Reported Claims | 132,000 | | 132,000 |
| 5. POS Claims Payable (Reported) | | 132,000 | 132,000 |
| 6. POS Incurred But Not Reported Claims | | 324,000 | 324,000 |
| 7. Other Medical Liability | | | 0 |
| 8. Unearned Premiums | 264,874 | XXX | 264,874 |
| 9. Loans and Notes Payable | | XXX | 0 |
| 10. Amounts Due To Affiliates - Current | | XXX | 0 |
| 11. Aggregate Write-Ins for Current Liabilities | 258,257 | 0 | 258,257 |
| 12. TOTAL CURRENT LIABILITIES (Items 1 to 11) | 1,334,374 | 456,000 | 1,790,374 |
| OTHER LIABILITIES: | | | |
| 13. Loans and Notes Payable (Not Subordinated) | | XXX | 0 |
| 14. Loans and Notes Payable (Subordinated) | | XXX | 0 |
| 15. Accrued Subordinated Interest Payable | | XXX | 0 |
| 16. Amounts Due To Affiliates - Long Term | | XXX | 0 |
| 17. Aggregate Write-Ins for Other Liabilities | 488,700 | XXX | 488,700 |
| 18. TOTAL OTHER LIABILITIES (Items 13 to 18) | 488,700 | XXX | 488,700 |
| 19. TOTAL LIABILITIES | 1,823,074 | 456,000 | 2,279,074 |
| NET WORTH | | | |
| 20. Common Stock | XXX | XXX | 300 |
| 21. Preferred Stock | XXX | XXX | |
| 22. Paid In Surplus | XXX | XXX | 668,421 |
| 23. Contributed Capital | XXX | XXX | |
| 24. Retained Earnings (Deficit)/Fund Balance | XXX | XXX | 662,192 |
| 25. Aggregate Write-Ins for Other Net Worth Items | XXX | XXX | 193,109 |
| 26. TOTAL NET WORTH (Items 20 to 25) | XXX | XXX | 1,524,022 |
| 27. TOTAL LIABILITIES AND NET WORTH | XXX | XXX | 3,803,096 |
| DETAILS OF WRITE-INS AGGREGATED AT ITEM 11 FOR CURRENT LIABILITIES | | | |
| 1101. Retirement Plan Payable | 258,257 | | 258,257 |
| 1102. | | | 0 |
| 1103. | | | 0 |
| 1104. | | | 0 |
| 1198. Summary of remaining write-ins for Item 11 from overflow page | | | 0 |
| 1199. TOTALS (Items 1101 thru 1104 plus 1198) | 258,257 | 0 | 258,257 |
| DETAILS OF WRITE-INS AGGREGATED AT ITEM 17 FOR OTHER LIABILITIES | | | |
| 1701. Deferred Taxes | 488,700 | XXX | 488,700 |
| 1702. | | XXX | 0 |
| 1703. | | XXX | 0 |
| 1704. | | XXX | 0 |
| 1798. Summary of remaining write-ins for Item 17 from overflow page | | XXX | 0 |
| 1799. TOTALS (Items 1701 thru 1704 plus 1798) | 488,700 | XXX | 488,700 |
| DETAILS OF WRITE-INS AGGREGATED AT ITEM 25 FOR OTHER NET WORTH ITEMS | | | |
| 2501. Unrealized Gain/(Loss) MKT Securities | XXX | XXX | 193,109 |
| 2502. | XXX | XXX | |
| 2503. | XXX | XXX | |
| 2504. | XXX | XXX | |
| 2598. Summary of remaining write-ins for Item 25 from overflow page | XXX | XXX | |
| 2599. TOTALS (Items 2501 thru 2504 plus 2598) | XXX | XXX | 193,109 |

STATEMENT AS OF 9-30-2003 OF 933-0059 Dental Health Services

REPORT #2: REVENUE, EXPENSES AND NET WORTH

| | 1 | 2 |
|--|----------------|--------------|
| | Current Period | Year-To-Date |
| REVENUES: | | |
| 1. Premiums (Commercial) | 858,394 | 4,314,377 |
| 2. Capitation | | |
| 3. Co-payments, COB, Subrogation | | |
| 4. Title XVIII - Medicare | | |
| 5. Title XIX - Medicaid | | |
| 6. Fee-For-Service | | |
| 7. Point-Of-Service (POS) | 285,470 | 1,419,894 |
| 8. Interest | 3,537 | 45,733 |
| 9. Risk Pool Revenue | | |
| 10. Aggregate Write-Ins for Other Revenues | 5,300 | 7,655 |
| 11. TOTAL REVENUE (Items 1 to 10) | 1,152,701 | 5,787,659 |
| EXPENSES: | | |
| Medical and Hospital | | |
| 12. Inpatient Services - Capitated | | |
| 13. Inpatient Services - Per Diem | | |
| 14. Inpatient Services - Fee-For-Service/Case Rate | | |
| 15. Primary Professional Services - Capitated | 438,851 | 2,245,931 |
| 16. Primary Professional Services - Non-Capitated | | |
| 17. Other Medical Professional Services - Capitated | | |
| 18. Other Medical Professional Services - Non-Capitated | 268,810 | 1,292,393 |
| 19. Non-Contracted Emergency Room and Out-of-Area Expense, not including POS | | |
| 20. POS Out-Of-Network Expense | | |
| 21. Pharmacy Expense - Capitated | | |
| 22. Pharmacy Expense - Fee-for-Service | | |
| 23. Aggregate Write-Ins for Other Medical and Hospital Expenses | 151,289 | 769,107 |
| 24. TOTAL MEDICAL AND HOSPITAL (Items 12 to 23) | 858,950 | 4,307,431 |
| Administration | | |
| 25. Compensation | 113,495 | 569,233 |
| 26. Interest Expense | | |
| 27. Occupancy, Depreciation and Amortization | 30,551 | 164,926 |
| 28. Management Fees | | |
| 29. Marketing | 63,818 | 415,201 |
| 30. Affiliate Administration Services | | |
| 31. Aggregate Write-Ins for Other Administration | 62,111 | 313,301 |
| 32. TOTAL ADMINISTRATION (Items 25 to 31) | 269,975 | 1,462,661 |
| 33. TOTAL EXPENSES | 1,128,925 | 5,770,092 |
| 34. INCOME (LOSS) | 23,776 | 17,567 |
| 35. Extraordinary Item | | |
| 36. Provision for Taxes | | |
| 37. NET INCOME (LOSS) | 23,776 | 17,567 |
| NET WORTH: | | |
| 38. Net Worth Beginning of Period | 1,466,341 | 1,475,934 |
| 39. Audit Adjustments | | |
| 40. Increase (Decrease) in Common Stock | | |
| 41. Increase (Decrease) in Preferred Stock | | |
| 42. Increase (Decrease) in Paid in Surplus | | |
| 43. Increase (Decrease) in Contributed Capital | | |
| 44. Increase (Decrease) in Retained Earnings: | | |
| 45. Net Income (Loss) | 23,776 | 17,567 |
| 46. Dividends to Stockholders | | |
| 47. Aggregate Write-Ins for Changes in Retained Earnings | 0 | 0 |
| 48. Aggregate Write-Ins for Changes in Other Net Worth Items | 33,905 | 30,521 |
| 49. NET WORTH END OF PERIOD (Items 38 to 48) | 1,524,022 | 1,524,022 |

STATEMENT AS OF 9-30-2003 OF 933-0059 Dental Health Services

REPORT #2: REVENUE, EXPENSES AND NET WORTH

| 1 | 2 | 3 |
|---|----------------|--------------|
| | Current Period | Year-to-Date |
| DETAILS OF WRITE-INS AGGREGATED AT ITEM 10 FOR OTHER REVENUES | | |
| 1001. Other Income | 5,300 | 7,655 |
| 1002. | | |
| 1003. | | |
| 1004. | | |
| 1005. | | |
| 1006. | | |
| 1098. Summary of remaining write-ins for Item 10 from overflow page | | |
| 1099. TOTALS (Items 1001 thru 1006 plus 1098) | 5,300 | 7,655 |
| DETAILS OF WRITE-INS AGGREGATED AT ITEM 23 FOR OTHER MEDICAL AND HOSPITAL EXPENSES | | |
| 2301. Other Medical Expenses | 151,289 | 769,107 |
| 2302. | | |
| 2303. | | |
| 2304. | | |
| 2305. | | |
| 2306. | | |
| 2398. Summary of remaining write-ins for Item 23 from overflow page | | |
| 2399. TOTALS (Items 2301 thru 2306 plus 2398) | 151,289 | 769,107 |
| DETAILS OF WRITE-INS AGGREGATED AT ITEM 31 FOR OTHER ADMINISTRATIVE EXPENSES | | |
| 3101. Other Expenses | 62,111 | 313,301 |
| 3102. | | |
| 3103. | | |
| 3104. | | |
| 3105. | | |
| 3106. | | |
| 3198. Summary of remaining write-ins for Item 31 from overflow page | | |
| 3199. TOTALS (Items 3101 thru 3106 plus 3198) | 62,111 | 313,301 |
| DETAILS OF WRITE-INS AGGREGATED AT ITEM 47 FOR CHANGES IN RETAINED EARNINGS | | |
| 4701. | | |
| 4702. | | |
| 4703. | | |
| 4704. | | |
| 4705. | | |
| 4706. | | |
| 4798. Summary of remaining write-ins for Item 47 from overflow page | | |
| 4799. TOTALS (Items 4701 thru 4706 plus 4798) | 0 | 0 |
| DETAILS OF WRITE-INS AGGREGATED AT ITEM 48 FOR CHANGES OF OTHER NET WORTH ITEMS | | |
| 4801. Unrealized Gain/(Loss) MKT Securities | 33,905 | 30,521 |
| 4802. | | |
| 4803. | | |
| 4804. | | |
| 4805. | | |
| 4806. | | |
| 4898. Summary of remaining write-ins for Item 48 from overflow page | | |
| 4899. TOTALS (Items 4801 thru 4806 plus 4898) | 33,905 | 30,521 |

REPORT #3: STATEMENT OF CASH FLOWS

| 1 | 2 | 3 |
|--|----------------|--------------|
| | Current Period | Year-to-Date |
| CASH FLOW PROVIDED BY OPERATING ACTIVITIES | | |
| 1. Group/Individual Premiums/Capitation | 1,219,396 | 5,762,142 |
| 2. Fee-For-Service | | |
| 3. Title XVIII - Medicare Premiums | | |
| 4. Title XIX - Medicaid Premiums | | |
| 5. Investment and Other Revenues | 145,648 | 478,230 |
| 6. Co-Payments, COB and Subrogation | | |
| 7. Medical and Hospital Expenses | -792,190 | -4,396,572 |
| 8. Administration Expenses | -235,191 | -1,405,686 |
| 9. Federal Income Taxes Paid | | |
| 10. Interest Paid | | |
| 11. NET CASH PROVIDED BY OPERATING ACTIVITIES | 337,663 | 438,114 |
| CASH FLOW PROVIDED BY INVESTING ACTIVITIES | | |
| 12. Proceeds from Restricted Cash and Other Assets | | |
| 13. Proceeds from Investments | | |
| 14. Proceeds for Sales of Property, Plant and Equipment | | |
| 15. Payments for Restricted Cash and Other Assets | | |
| 16. Payments for Investments | 0 | -294,123 |
| 17. Payments for Property, Plant and Equipment | -6,620 | -15,855 |
| 18. NET CASH PROVIDED BY INVESTING ACTIVITIES | -6,620 | -309,978 |
| CASH FLOW PROVIDED BY FINANCING ACTIVITIES: | | |
| 19. Proceeds from Paid in Capital or Issuance of Stock | | |
| 20. Loan Proceeds from Non-Affiliates | | |
| 21. Loan Proceeds from Affiliates | | |
| 22. Principal Payments on Loans from Non-Affiliates | | |
| 23. Principal Payments on Loans from Affiliates | | |
| 24. Dividends Paid | | |
| 25. Aggregate Write-Ins for Cash Provided by Financing Activities | 0 | 0 |
| 26. NET CASH PROVIDED BY FINANCING ACTIVITIES | 0 | 0 |
| 27. NET INCREASE (DECREASE) IN CASH (Items 11, 18 & 26) | 331,043 | 128,136 |
| 28. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE MONTH | 678,010 | 880,917 |
| 29. CASH AND CASH EQUIVALENTS AT THE END OF THE MONTH | 1,009,053 | 1,009,053 |
| RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES: | | |
| 30. Net Income | 23,776 | 17,567 |
| Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities | | |
| 31. Depreciation and Amortization | 5,380 | 25,087 |
| 32. Decrease (Increase) in Receivables | 16,006 | 38,887 |
| 33. Decrease (Increase) in Prepaid Expenses | 8,094 | -27,791 |
| 34. Decrease (Increase) in Affiliate Receivables | 139,000 | 419,351 |
| 35. Increase (Decrease) in Accounts Payable | -9,984 | -113,937 |
| 36. Increase (Decrease) in Claims Payable and Shared Risk Pool | 69,000 | 24,000 |
| 37. Increase (Decrease) in Unearned Premium | 59,526 | -11,017 |
| 38. Aggregate Write-Ins for Adjustments to Net Income | 26,865 | 65,967 |
| 39. TOTAL ADJUSTMENTS (Items 31 through 38) | 313,887 | 420,547 |
| 40. NET CASH PROVIDED BY OPERATING ACTIVITIES (Item 30 adjusted by Item 39 must agree to Item 11) | 337,663 | 438,114 |
| DETAILS OF WRITE-INS AGGREGATED AT ITEM 25 FOR CASH FLOW PROVIDED BY FINANCING ACTIVITIES | | |
| 2501. | | |
| 2502. | | |
| 2503. | | |
| 2598. Summary of remaining write-ins for Item 25 from overflow page | | |
| TOTALS (Items 2501 thru 2503 plus 2598) | 0 | 0 |
| DETAILS OF WRITE-INS AGGREGATED AT ITEM 38 FOR ADJUSTMENTS TO NET INCOME | | |
| 3801. Retirement Plan Payable | 15,192 | 75,958 |
| 3802. Other Receivable | -2,190 | 5,491 |
| 3803. Accrued Wages | 13,863 | -16,175 |
| 3898. Summary of remaining write-ins for Item 38 from overflow page | | 693 |
| 3899. TOTALS (Items 3801 thru 3803 plus 3898) | 26,865 | 65,967 |

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REPORT #4: ENROLLMENT AND UTILIZATION TABLE**TOTAL ENROLLMENT**

| 1 Source of Enrollment | 2 Total Enrollees At End of Previous Period | 3 Additions During Period | 4 Terminations During Period | 5 Total Enrollees at End of Period | 6 Cumulative Enrollee Months for Period | Total Member Ambulatory Encounters for Period | | | 10 Total Patient Days Incurred | 11 Annualized Hospital Days/1000 | 12 Average Length of Stay |
|---|---|---------------------------------|------------------------------------|--|---|---|---------------------|------------|---|---|------------------------------------|
| | | | | | | 7 Physicians | 8 Non-Physicians | 9 Total | | | |
| 1. Group (Commercial) | 70,795 | 2,812 | 2,462 | 71,145 | 71,145 | | | 0 | | 0 | |
| 2. Medicare Risk | | | | 0 | | | | 0 | | | |
| 3. Medi-Cal Risk | | | | 0 | | | | 0 | | | |
| 4. Individual | 3,106 | 27 | 13 | 3,120 | 3,120 | | | 0 | | 0 | |
| 5. Point of Service | 10,618 | 17 | 8 | 10,627 | 10,627 | | | 0 | | 0 | |
| 6. Aggregate write-ins for Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | |
| 7. Total Membership | 84,519 | 2,856 | 2,483 | 84,892 | 84,892 | 0 | 0 | 0 | 0 | 0 | |
| DETAILS OF WRITE-INS AGGREGATED AT ITEM 6 FOR OTHER SOURCES OF ENROLLMENT | | | | | | | | | | | |
| 601. Small Group | | | | 0 | | | | 0 | | | |
| 602. Healthy Families | | | | 0 | | | | 0 | | | |
| 603. AIM | | | | 0 | | | | 0 | | | |
| 604. Medicare Cost | | | | 0 | | | | 0 | | | |
| 605. ASO | | | | 0 | | N/A | N/A | N/A | N/A | N/A | N/A |
| 606. PPO | | | | 0 | | | | 0 | | | |
| 607. | | | | 0 | | | | 0 | | | |
| 608. | | | | 0 | | | | 0 | | | |
| 609. | | | | 0 | | | | 0 | | | |
| 610. | | | | 0 | | | | 0 | | | |
| 611. | | | | 0 | | | | 0 | | | |
| 612. | | | | 0 | | | | 0 | | | |
| Summary of remaining write-ins for | | | | | | | | | | | |
| 698. Item 6 from overflow page | | | | 0 | | | | 0 | | | |
| Totals (lines 601 through 612 plus | | | | | | | | | | | |
| 699. 698) (Line 6 above) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | |

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| NOTES TO FINANCIAL STATEMENTS | |
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|-----------------------------|---------------------------------------|
| OVERFLOW PAGE FOR WRITE-INS | |
| 1. | Page 7 line #3898, other assets \$693 |
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STATEMENT AS OF 9-30-2003 OF 933-0059 Dental Health Services

KNOX-KEENE
SUPPLEMENTAL INFORMATION
PURSUANT TO SECTIONS 1300.84.06 AND 1300.84.2

| | | 1 | | 2 |
|------------------------------------|---|-----------------------|---|---------------------|
| 1. | Net Equity | | \$ | 1,524,022 |
| 2. | Add: Subordinated Debt | | \$ | |
| 3. | Less: Receivables from officers, directors, and affiliates | | \$ | 658,894 |
| 4. | Intangibles | | \$ | |
| 5. | Tangible Net Equity (TNE) | | \$ | 865,128 |
| 6. | Required Tangible Net Equity (See Below) | | \$ | 446,787 |
| 7. | TNE Excess (Deficiency) | | \$ | 418,341 |
| | | | | |
| | | Full Service Plans | | Specialized Plan |
| A. | Minimum TNE Requirement | \$ 1,000,000 | Minimum TNE Requirement | \$ 50,000 |
| B. REVENUES: | | | | |
| 8. | 2% of the first \$150 million of annualized premium revenues | \$ | 2% of the first \$7.5 million of annualized premium revenue | \$ 150,000 |
| | Plus | | Plus | |
| 9. | 1% of annualized premium revenues in excess of \$150 million | \$ | 1% of annualized premium revenue in excess of \$7.5 million | \$ 62,623 |
| 10. | Total | \$ 0 | Total | \$ 212,623 |
| C. HEALTHCARE EXPENDITURES: | | | | |
| 11. | 8% of the first \$150 million of annualized health care expenditures, except those paid on a capitated or managed hospital basis. | \$ | 8% of the first \$7.5 million of annualized health care expenditures, except those paid on a capitated or managed hospital basis. | \$ 446,787 |
| | Plus | | Plus | |
| 12. | 4% of annualized health care expenditures in excess of \$150 million except those paid on a capitated or managed hospital payment basis. | \$ | 4% of annualized health care expenditures in excess of \$7.5 million except those paid on a capitated or managed hospital payment basis. | \$ |
| | Plus | | Plus | |
| 13. | 4% of the annualized hospital expenditures paid on a managed hospital payment basis. | \$ | 4% of the annualized hospital expenditures paid on a managed hospital payment basis. | \$ |
| 14. | Total | \$ 0 | Total | \$ 446,787 |
| 15. | Required "TNE" - Greater of "A" "B" or "C" \$ | | Required "TNE" - Greater of "A" "B" or "C" \$ | 446,787 |

**KNOX -KEENE
SUPPLEMENTAL INFORMATION
PURSUANT TO SECTIONS 1374.64**

POINT OF SERVICE (POS) "ADJUSTED" TANGIBLE NET EQUITY CALCULATION

Calculation of Tangible Net Equity and required Tangible Net Equity in accordance with Section 1374.64:

| | | |
|---|----|-----------|
| | | 1 |
| 1. Net Equity | \$ | 1,524,022 |
| 2. Add: Subordinated Debt | \$ | |
| 3. Less: Receivables from officers, directors, and affiliates | \$ | |
| 4. Intangibles | \$ | |
| 5. Tangible Net Equity (TNE) | \$ | 1,524,022 |
| 6. Required Tangible Net Equity (From Line 18 below) | \$ | |
| 7. TNE Excess (Deficiency) | \$ | 1,524,022 |
| ADJUSTED REQUIRED MINIMUM TANGIBLE NET EQUITY CALCULATION: | | |
| I. Plan is required to have and maintain TNE as required by Rule 1300.76 (a)(1) or (2): | | |
| 8. Minimum TNE as calculated under Rule 1300.76 (a)(1) or (2) | \$ | |
| 9. 10% of annualized health care expenditures for out-of-network service for point-of-service enrollees | \$ | |
| 10. Add lines 8 and 9 | \$ | 0 |
| II. Plan is required to have and maintain TNE as required by Rule 1300.76 (a)(3): | | |
| <u>PART A</u> | | |
| 11. Minimum TNE as recalculated to exclude annualized healthcare expenditures for out-of-network services for point-of-service enrollees (attach worksheet Page 15) | \$ | |
| 12. 10% of annualized health care expenditures for out-of-network services for point-of-service enrollees | \$ | |
| 13. Add lines 11 and 12 | \$ | 0 |

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POS WORKSHEET FOR ADJUSTED TANGIBLE NET EQUITY CALCULATION

| | 1 Full Service Plans | 2 Specialized Plans |
|--|-----------------------------------|-----------------------------------|
| 1. Health care expenditures for period | \$ <input type="text"/> | \$ <input type="text"/> |
| Less: | | |
| 2. Capitated or managed hospital payment basis expenditures | <input type="text"/> | <input type="text"/> |
| 3. Health care expenditures for out-of-network services for point-of-service enrollees | <input type="text"/> | <input type="text"/> |
| 4. Result | <input type="text" value="0"/> | <input type="text" value="0"/> |
| 5. Annualized | <input type="text"/> | <input type="text"/> |
| 6. Reduce to maximum of \$150 million | <input type="text"/> | <input type="text"/> |
| 7. Multiply by 8% | \$ <input type="text" value="0"/> | \$ <input type="text" value="0"/> |
| Plus | | |
| 8. Annualized health care expenditures except those paid on a capitated or managed hospital payment basis and excluding health care expenditures for out-of-network services for point-of-service enrollees | \$ <input type="text"/> | \$ <input type="text"/> |
| 9. Line 8 less \$150 million | <input type="text"/> | <input type="text"/> |
| 10. Multiply by 4% | \$ <input type="text" value="0"/> | \$ <input type="text" value="0"/> |
| Plus | | |
| 11. Annualized hospital expenditures paid on a managed hospital payment basis and excluding health care expenditures for out-of-network services for point-of-service enrollees | \$ <input type="text"/> | \$ <input type="text"/> |
| 12. Multiply by 4% | \$ <input type="text" value="0"/> | \$ <input type="text" value="0"/> |
| 13. Total | \$ <input type="text" value="0"/> | \$ <input type="text" value="0"/> |

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